

Amendments to House Bill No. 301
3rd Reading Copy

SENATE EDUCATION
EXHIBIT NO. 2
DATE 3/27/13
BILL NO. HB 301

Requested by Representative David Halvorson
For the Senate Education and Cultural Resources Committee

Prepared by Pad McCracken
March 18, 2013 (8:19am)

1. Title, page 1, line 4.

Following: "DISTRICT"

Insert: ", A K-12 DISTRICT,"

2. Title, page 1, line 5 through line 6.

Strike: "TO 100%" on line 5 through "TAXATION" on line 6

3. Page 1, line 23.

Strike: "is up to"

Insert: "regardless of whether the general obligation bonds
finance elementary program improvements or high school
program improvements, is the sum of"

4. Page 1, line 23.

Following: "property"

Insert: "in its elementary program"

Following: "taxation"

Insert: "and 100% of the taxable value of the property in its
high school program subject to taxation"

5. Page 1, line 25.

Strike: "The"

Insert: "Unless the maximum amount calculated under subsection
(1)(a) yields a greater amount, the"

6. Page 1, line 30.

Strike: "50% of"

7. Page 2, line 1.

Following: ", "

Insert: "unless the maximum amount calculated under subsection
(1)(b) of this section yields a greater maximum amount,"

8. Page 2, line 2.

Strike: "50% of"

- END -

HOUSE BILL NO. 301

INTRODUCED BY D. HALVORSON

GREY WITH AMENDS HB030101.APM

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE DEBT LIMIT FOR AN ELEMENTARY DISTRICT,
A K-12 DISTRICT, OR A HIGH SCHOOL DISTRICT TO 100% OF THE TAXABLE VALUE OF THE PROPERTY
SUBJECT TO TAXATION; AMENDING SECTIONS 20-9-406 AND 20-9-407, MCA; AND PROVIDING AN
IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 20-9-406, MCA, is amended to read:

"20-9-406. Limitations on amount of bond issue -- definition of federal impact aid basic support payment. (1) (a) Except as provided in subsection (1)(c), the maximum amount for which an elementary district or a high school district may become indebted by the issuance of general obligation bonds, including all indebtedness represented by outstanding general obligation bonds of previous issues, registered warrants, outstanding obligations under 20-9-471, and any other loans or notes payable that are held as general obligations of the district, is ~~50%~~ 100% of the taxable value of the property subject to taxation, as ascertained by the last assessment for state, county, and school taxes previous to the incurring of the indebtedness.

(b) Except as provided in subsection (1)(c), the maximum amount for which a K-12 school district, as formed pursuant to 20-6-701, may become indebted by the issuance of general obligation bonds, including all indebtedness represented by outstanding general obligation bonds of previous issues, registered warrants, outstanding obligations under 20-9-471, and any other loans or notes payable that are held as general obligations of the district, ~~is up to~~ REGARDLESS OF WHETHER THE GENERAL OBLIGATION BONDS FINANCE ELEMENTARY IMPROVEMENTS OR HIGH SCHOOL IMPROVEMENTS, IS THE SUM OF 100% of the taxable value of the property IN ITS ELEMENTARY PROGRAM subject to taxation AND 100% OF THE TAXABLE VALUE OF THE PROPERTY IN ITS HIGH SCHOOL PROGRAM, as ascertained by the last assessment for state, county, and school taxes previous to the incurring of the indebtedness.

(c) (i) The maximum amount for which an elementary district or a high school district with a district mill value per elementary ANB or per high school ANB that is less than the facility guaranteed mill value per elementary ANB or high school ANB under 20-9-366 may become indebted by the issuance of general obligation

bonds, including all indebtedness represented by outstanding general obligation bonds of previous issues, registered warrants, outstanding obligations under 20-9-471, and any other loans or notes payable that are held as general obligations of the district, is ~~50% of~~ the corresponding facility guaranteed mill value per ANB times 1,000 times the ANB of the district. For a K-12 district, UNLESS THE MAXIMUM AMOUNT CALCULATED UNDER SUBSECTION (1)(B) OF THIS SECTION YIELDS A GREATER AMOUNT the maximum amount for which the district may become indebted is ~~50% of~~ the sum of the facility guaranteed mill value per elementary ANB times 1,000 times the elementary ANB of the district and the facility guaranteed mill value per high school ANB times 1,000 times the high school ANB of the district. For the purpose of calculating ANB under this subsection, a district may use the greater of the current year ANB or the 3-year ANB calculated under 20-9-311.

(ii) If mutually agreed upon by the affected districts, for the purpose of calculating its maximum bonded indebtedness under this subsection (1)(c), a district may include the ANB of the district plus the number of students residing within the district for which the district or county pays tuition for attendance at a school in an adjacent district. The receiving district may not use out-of-district ANB for the purpose of calculating its maximum indebtedness if the out-of-district ANB has been included in the ANB of the sending district pursuant to the mutual agreement. For the purpose of calculating ANB under this subsection, a district may use the greater of the current year ANB or the 3-year ANB calculated under 20-9-311.

(2) The maximum amounts determined in subsection (1) do not pertain to indebtedness imposed by special improvement district obligations or assessments against the school district or to general obligation bonds issued for the repayment of tax protests lost by the district. All general obligation bonds issued in excess of the amount are void, except as provided in this section.

(3) The maximum amount of impact aid revenue bonds that an elementary district, high school district, or K-12 school district may issue may not exceed a total aggregate amount equal to three times the average of the school district's annual federal impact aid basic support payments for the 5 years immediately preceding the issuance of the bonds. However, at the time of issuance of the bonds, the average annual payment of principal and interest on the impact aid bonds each year may not exceed 35% of the total federal impact aid basic support payments of the school district for the current year.

(4) When the total indebtedness of a school district has reached the limitations prescribed in this section, the school district may pay all reasonable and necessary expenses of the school district on a cash basis in accordance with the financial administration provisions of this chapter.

(5) Whenever bonds are issued for the purpose of refunding bonds, any money to the credit of the debt